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State of Idaho

Department of Administration
Division of Insurance and Internal Support
Office of Group Insurance

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March 12, 2010

TO: All State of Idaho Retirees Age 65 or Older.

Insert Address

FM: Office of Group Insurance, Department of Administration

RE: Prescription Assistance Benefit for 2010 and 2011

Under a temporary Rule passed during the 2010 Legislative Session, the Office of Group Insurance will be providing assistance to those retirees age 65 or older whose prescription drug expenses are high enough that they fall into the coverage gap under their Medicare Part D prescription coverage. **This prescription assistance benefit is only available to a retiree or eligible dependent that was covered under the State's Retiree Medical plan at sometime during calendar year 2009.**

When you have expended \$2,000 in the Part D coverage gap, you may be eligible for reimbursement of up to the next \$2,000 you spend for medications in the coverage gap. This assistance benefit is valid for calendar years 2010 and 2011. The enclosed document outlines the procedures for making a claim for reimbursement under this program. Also included is a Petition for Reimbursement of Out-of-pocket Prescription Costs on Medicare Part D Plan form and a Retiree Prescription Drug Assistance Reimbursement Form.

Any reimbursement provided under this program is considered taxable income and should be included in your annual income tax filing. Also, we are required to notify the Center for Medicare-Medicaid Services (CMS) of the amount that is reimbursed to any retiree eligible for the program. The impact of this reporting is that none of the out-of-pocket expenses that are reimbursed under this temporary program will count toward the \$4,550 (for 2010) that must be paid by the retiree before they reach the catastrophic coverage under the Part D prescription plan.

Please read the enclosed Guidelines/Procedures for Submitting Prescription Reimbursement Requests very carefully. If you have any questions regarding the prescription assistance benefit program please contact our office at 332-1860 in the Boise area, or toll-free at 1-800-531-0597. Email inquiries can be sent to ogi@adm.idaho.gov

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